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Qwest

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July 17, 2000

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Ex Parte

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
Room TW-A325
445 12th Street, S.W.
Washington, D.C. 20554

RE: WT Docket No. 97-82

Dear Ms. Salas:

The purpose of this letter is to respond to the recent *ex parte* presentation submitted by Northcoast Communications ("Northcoast") on July 12, 2000 in the above-referenced docket. Qwest Wireless, L.L.C. ("Qwest Wireless," formerly U S WEST Wireless, L.L.C.) felt it was important to respond to Northcoast's mischaracterizations before the close of the comment period on the proposed C and F block auction and service rules.

In its *ex parte* presentation, Northcoast makes the bold assertion that "large wireless providers are warehousing PCS spectrum" and lists Qwest Wireless as one of five carriers that have a number of unbuilt PCS licenses. The clear implication is that Qwest Wireless is a large incumbent provider that has accumulated more spectrum than it needs and thus has no legitimate interest in obtaining additional spectrum in the upcoming auction. Nothing could be further from the truth.

Northcoast completely ignores the fact that Qwest Wireless is a relatively new entrant in the wireless market that has only 10 MHz of spectrum in any of its service areas. Indeed, Qwest Wireless generally has been the fifth or sixth market entrant in the larger markets where it is providing service. As discussed further below, Qwest Wireless has made impressive progress building its state-of-the-art PCS network in many markets throughout the country, and it is grossly unfair and misleading to portray Qwest Wireless as an incumbent that is warehousing spectrum. If anything, Qwest Wireless is a good example of how a new entrant can successfully enter the market and compete with incumbent wireless carriers with only 10 MHz of spectrum.

Moreover, the facts refute any inference that Qwest Wireless is not aggressively building out its network and bringing new wireless services to customers throughout the west. It should be noted that all of Qwest Wireless' spectrum is in the D and E blocks, and Qwest Wireless did not obtain its licenses until late June, 1997. For the past three years, Qwest Wireless has been

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implementing a rational build-out strategy utilizing a variety of approaches to quickly deploy services to the public. The following are some statistics demonstrating the company's progress:

- ❖ Qwest Wireless currently is providing service in areas throughout seven states (Arizona, Colorado, Minnesota, Oregon, Utah, Washington and Wyoming). Our footprint in these states generally extends far beyond the core metropolitan areas.
- ❖ By the end of the year, Qwest Wireless is planning to launch service in two additional states.
- ❖ In 1999, Qwest Wireless formed a joint venture, TW Wireless, L.L.C., with Touch America (a subsidiary of Montana Power) to bring services to more than 20 cities throughout the Northwest. Many of these are second- and third-tier cities located in largely rural territories such as Idaho, Montana, South Dakota, Eastern Washington and Wyoming.
- ❖ The joint venture has adopted an aggressive build-out schedule, drawing on the combined resources of the two companies. Next week, service is being launched in Boise, Idaho and Spokane, Washington. Service will be launched in several additional markets by the end of the year.
- ❖ Qwest Wireless has entered into approximately 25 partitioning and/or disaggregation agreements with independent local exchange carriers, many of them smaller providers in rural areas that could not afford to participate in prior spectrum auctions. These agreements, which are helping to facilitate the deployment of wireless services in rural areas, provide further evidence that Qwest Wireless is not warehousing spectrum. Further, these partitioning and/or disaggregation agreements are consistent with the Section 309(j)(3) statutory objective of facilitating the wide dissemination of licenses to new market entrants, including rural telephone companies.¹

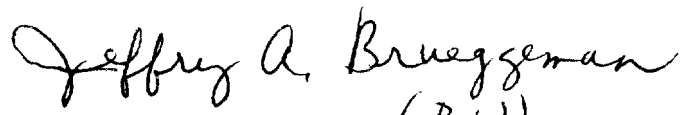
Throughout this proceeding, Qwest Wireless has attempted to avoid the type of nasty rhetoric being employed by Northcoast and, instead, has advocated a compromise approach that makes additional spectrum available for a broad array of wireless carrier needs. The simplistic view that this proceeding is an all-or-nothing battle against spectrum hungry incumbent wireless carriers ignores the fact that many wireless carriers such as Qwest Wireless currently do not have 30 to 45 MHz of spectrum in their markets and are relatively new market entrants. As Qwest Wireless' service matures, it is imperative that the company have access to more than 10 MHz of spectrum to provide expanded services and transition to third generation capabilities.

¹ 47 U.S.C. § 309(j)(3). For example, partitioning and/or disaggregation agreements have been reached with the following companies: Blair Telephone Company; Emery Telecommunications & Video, Inc.; Cascade Utilities, Inc.; Hooper Telephone Company; Hutchinson Telecommunications, Inc.; Molalla Wireless, Inc.; Northeast Communications of Wisconsin, Inc.; Mt. Angel Telecommunications, Inc.; PinPoint Wireless, Inc.; San Isabel Telecom, Inc.; Southeast Nebraska Telephone Company; and Uintah Basin Electronic Telecommunications.

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Please do not hesitate to call if you have any questions.

Respectfully submitted,


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